(d) if so, whether liberalisation of the import of coal will adversely affect the infrastructure and employment in the coal industry as well as resulting in reduced royalties to the major coal producing States; and

(e) if so, what is the necessity or logic of the reduction of import duty on coal ?

THE MINISTER OF STATE IN *TUB* MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a): Reduction in import duty on coal from 85% to 35% is not likely to result in dumping of imported coal in India.

(b) No. Sir.

(c) The production of coal by Coal India Limited alone is not sufficient to meet the current demand of non-coking coal in the country.

(d) and (e): In view of (c) above, does not arise.

**Excise Duty oa Cloth**

5432. SHRI B K HARTPRASAD: Will the Minister of FINANCE be pleased to state:

(s) whether it is fact that the excise duty structure envisaged in the budget proposals require the fabric processors to pay excise duty on ad valorem basis including the cost of the doth which is not manufactured by them;

(b) whether the grey cloth is exempted from excise duty and if so, why the processors are asked to pay the value of the cloth which is not manufactured by them, their function only being execution of job work on behalf of garment exporters;

(c) why the fabric processors are being denied the benefits of MODVAT on the inputs they use while such relief is permitted to manufacturers of dyes and chemicals and even engineering industries; and

(d) whether Government would reconsider this unjust impost of excise duty on fabric processors and work out a more rational formula of levy, based solely on the content of value addition?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY):(a) and (b): The processed fabrics as well as the grey cloth are fully exempted from bask excise duty. However, processed fabrics are charged to Additional Excise Duty in lieu of sales tax leviable under the Additional Duties of Excise Act (Goods of Special Importance) Act, 1957. In the Budget 1994-95. the rates of Additional Excise duty have been converted to ad valorem rates instead of the specific cum ad valorem rates existing prior to Budget 1994-95. As per the pro-visions of section 4 of the Central Excise and Salt Act, 1944 duty of excise is chargeable on the value of the goods and in this case such value of the "processed cloth" manufactured out of grey fabrics

(c) and (d) Extension of Modvat to fabrics would require charging bask excise duty on these fabrics, including grey fabrics. This would mean bringing under excise control about 13 lakhs powerlooms which are mostly in the decentralised sector. This is likely to cause administrative difficulties. Hence, for the pre-sent it has not been found feasible to extend the MODVAT scheme to the fabric processors.

**Irregularities in Osteal Fant of Iadhi**

5433. SHRI V. GOPALSAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the irregularities and frauds committed by the former Chairman, Central Bank of India;

(b) if so, details thereof alongwith the amount involved, parties involved, nature of fraud or irregularities etc.;

(c) whether any case has been registered against the officers concerned, if so, the details thereof in each case;

(d) whether any arrest has been made, if so, the details thereof;

(e) what steps are being taken to keep watch on the activities of the top bank officials who are increasingly being involved in bank scam; and

(0 whether any cell has been created either in Government or in the RBI to contain lop bank officials' scam ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V CHANDRASEKHAR MURTHY): (a) to (d): Reserve Bank of India has reprated that in Oct 1993 it had received certain complaints regarding grant of questionable advances by the then Chairman & Managing Director, Central Bank of India just before his retirement from the bank's service on 30-9-93. However, the Reserve Bank of India had probed into the advances sanctioned by the then CMD, Central Bank of India during the last six months of his tenure. It was observed that he has sanctioned credit facilities to 31 borrowers during the said period. Majority of these accounts are reported to be satisfactory. The main irregularity noticed was that he had sanctioned credit facilities despite the credit restraint measures enforced by the Board of Directors of the Bank w.e.f. 11 th May, 1993. However, the sanctions made by the then CMD beyond his delegated powers were generally ratified by the Managing Committee of the Board of the Bank

No case has been registered so far in this regard.

(e) and (0 whenever any complaints are received by Reserve Bank of India/Government against the top executives of Public Sector Banks, they are looked into and the matter is further probed, wherever considered necessary A Special Investigation Cell has been created in RBI in May, 1983 and the cell deals with such complaints.

**Customs and Excise Colletioos**

5434. DR MURLI MANOHAR JOSHI:
SHRI TRILOKI NATH CHATURVEDI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the comments made by Dr. Raja Chelliah as reported in the 'Economic Tunes' Editorial of 26th March, 1994 that Government must outline steps for expenditure reduction, if so, what specific steps have been taken in this direction in recent months;

(b) what are the actual comparative month-wise Customs and Excise Collection for 1992 and 1993 upto to 31st March, 1994; and

(c) whether Government are aware of the apprehensions expressed in the press regarding revenue collections being low and if so, whether concrete steps have been or are being taken to reach the budget estimates ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASEKHAR MURTHY): (a) Keeping the Government expenditure under control is a continuous exercise and in this regard instructions are issued from time to time to effect economy in expenditure. These instruc-tions include reduction in posts at various levels, ban on air travel, ban on accommodation hotel suites while on tour, reduction in consumption of petrol/diesel, restriciton in purchase of vehicles and reduction in telephones, etc.

(b) The months-wise realisation of customs and central excise duties during 1992-93 and 1993-94 is given in the the enclosed statement. *(See* below)

(c) Since the Financial year 1993-94 is already over and the provisional figures are available, the question of any apprehension regarding the low collection does not arise.

(Rupees in crore)

Statement

Month-wise Revenue Collection

| Month | Customs | | Excise* | |
|---|---|---|---|---|
| | 1992-93 | 1993-94 (Provisional) | 1992-93 | 1993-94 (Provisional) |
| 1 | 2 | 3 | 4 | 5 |
| April | 1854.21 | 1577.23 | 2116.23 | 2137.89 |
| May | 2225.22 | 1593.67 | 2424.99 | 2428.33 |